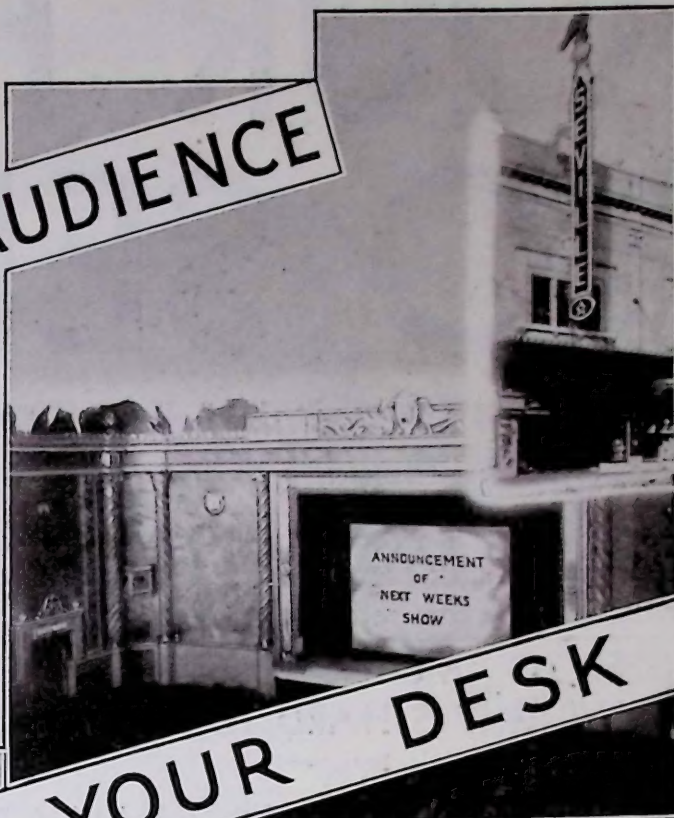
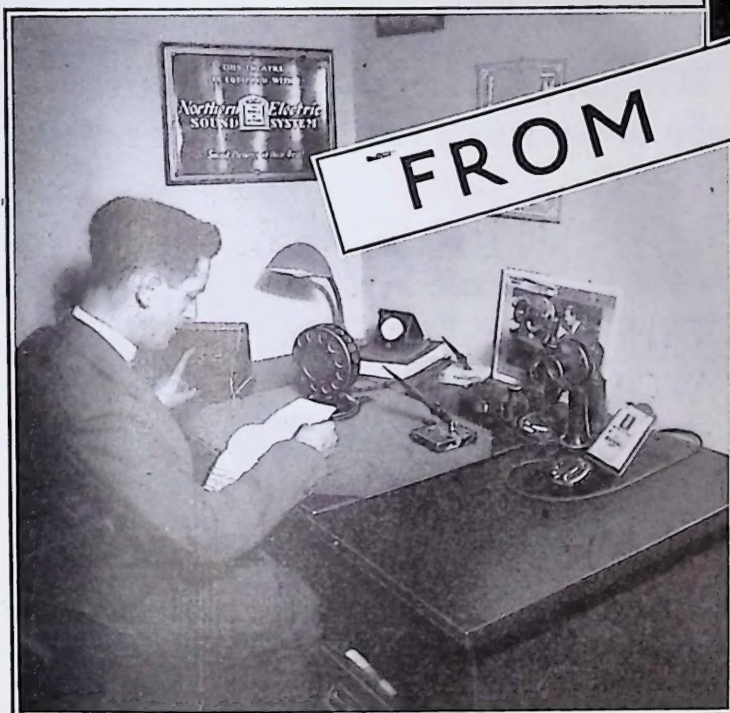




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THROUGH the Northern Electric Announcing System, theatre managers have a valuable means of personal contact between themselves and their audience. This system may be worked direct from the theatre manager's desk, or from any other part of the building. It adds greatly to the service he can render to the public.

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WESTERN ELECTRIC IN U.S.A.

ST. JOHN N.B. HALIFAX QUEBEC MONTREAL OTTAWA TORONTO HAMILTON LONDON WINDSOR NEW LISKEARD SUDBURY WINNIPEG REGINA CALGARY EDMONTON VANCOUVER

YOU'LL URGE YOUR FRIENDS TO SEE THIS

*(No. 730 Straight from the Shoulder Talk by Carl Laemmle,
President of the Universal Pictures Corporation)*

AT LAST I HAVE SEEN ONE OF THE MOST SATISFYING PICTURES IN THE
world which is, at the same time, one of the hardest to advertise.

I REFER TO "MOTHER'S MILLIONS."

IN SAYING IT IS HARD TO ADVERTISE, I HAVE SAID THE ONLY HARD THING
that can be said about it.

IT HAS A GREAT STAR, IN MAY ROBSON, BUT SHE IS PRACTICALLY UN-
known to the younger generation; and especially to the movie fans who know nothing of the
stars of the stage.

WHILE THIS PICTURE WILL MAKE HER ONE OF THE PRIME FAVORITES OF THE
the screen, it will be partly your job to induce the fans to see her.

I SUGGEST YOU TREAT HER AS ONE OF THE NEWEST DISCOVERIES OF FILMLAND.

MAY ROBSON IS NOT A YOUNG WOMAN. NEITHER IS MARIE DRESSLER.
Their technique is not alike, yet I venture to predict that "Mother's Millions" will create a
terrific demand for any picture in which Miss Robson appears thereafter.

YOU SHOULD INVITE YOUR AUDIENCES TO SEE YOUR NEW DISCOVERY. YOU
should ask them to share with you the thrill, the fun, the excitement always attendant upon
the screen debut of a new star of first magnitude.

ONCE THEY HAVE SEEN "MOTHER'S MILLIONS," THEY WILL DO YOUR AD-
vertising for you. They will urge their friends to see it; and so will you — with a perfectly
clear conscience.

I NEVER SAW A MORE SATISFYING PICTURE.

IT ABOUNDS IN THE MIXTURE OF LAUGHS AND THRILLS AND TEARS WHICH
every human audience loves. It has something which no advertising can describe.

TREAT IT AS A DELIGHTFUL SURPRISE PICTURE — MAKE EVERY FAN A
Christopher Columbus discovering a new screen personality — and then cash in as you deserve!

Buy UNIVERSAL and you're buying right!

Observations



By The Editor

THE MOTION PICTURE DAILY states, in its publication of the Government's Combine Report, "First to the Industry with the inside story of the Canadian Government's 'Combine' ruling, Motion Picture Daily tipped the highlights of the about-to-be-issued report on May 6th and again to-day." We are glad to learn who won the war!

It is not necessary for The Digest to remind the Trade that in May of 1930, when the Paramount-Publix absorption of Famous Players Canadian Corp. was introduced, that The Digest advised the Film Trade what would follow.

If it did not make us feel so old, we could go back many years and cite from The Digest warnings of monopoly and combine, the elimination of not only independent theatre-owners, but distributors and producers.

We could recall the formation of the M.P.T.O. A. of Canada; and the battle for Independence which forced The Digest to turn The Spotlight of its advice across the American continent.

* * * *

WE COULD recall our visit to England in 1918, and the interviews with British producers and theatre-owners which prophesied just what has happened in respect to their position to-day.

We could remind the U.S. Film Industry of certain interviews which your editor had with Mr. Will Hays, Mr. Charles Pettijohn and several prominent U.S. theatre-owners and producer-distributors in which results, such as have transpired, were pictured for their consideration, in a criticism of existing policies then operative.

This Industry will not take advice, it will not understand any language, but the box-office language, and that is the dollar jingle: One is almost inclined to conclude that it is deliberately directed into legal, legislative and other conflicting entanglements, in order that certain people, who receive huge financial benefits, through keeping the Industry "out of trouble", may find therein a continued excuse for their salaries and fees, by keeping the Industry in trouble.

* * * *

THERE is no doubt but that this Industry is advised on its policies, that it is told to "go ahead", even when danger is giving its signal to "stop, look and listen."

It cannot be possible that men trained in business, in legal practice are so unbusinesslike, and such poor lawyers that they cannot realize that certain Interests and policies in Motion Pictures are precipitating trouble, not only for themselves, but for the entire Industry. Take the Paramount-Publix-Famous Players deal, all the way through: What is going on at headquarters now? Is it "within the law?" Can parent companies divert the funds of subsidiaries, etc., etc., etc., and yet no one is giving the necessary warning.

The establishment of a world motion picture monopoly by U.S. interests is antagonizing all other nations, since for this result the World's Film Enterprise, along Independent and National lines, must be eliminated.

THE U.S. FILM INDUSTRY has preached and taught all nations the value of the Screen, Commercially and Nationally. Can it hope to eliminate, and obliterate this information and knowledge, because it desires to maintain its dominant control in all countries, of such film enterprises as these respective countries can support and foster?

Ever since the period of producer-distributor-exhibitor combinations, there have been internal and external difficulties within the Film Industry, with an ever-narrowing policy in regard to production and exhibition, a centralization process for control; and with the advent of Wall St.; the fight between the important combinations has been waged at the expense of the Independents and the Public, both losing their Capital Investment and their Profits.

* * * *

IF WALL ST. had the monopoly of this Industry to consummate within its own control, it would have accomplished it, and no one would have known where they kept "the bodies", or when they carried them out.

But since Wall St. does not know show business as well as it knows stocks and bonds, the high and low blood pressure of the ticker, Wall St. is dependent upon our showmen to clean up the obstacles for them, but our showmen are up against Show Business, which partakes of the nature of Mercury, try and catch it, and having caught it, try and control it.

Such a job needs quick action and a certain degree of stability in relationship to the commodity which is to be under control.

* * * *

MEN in this Industry have acquired enormous sums of money, who but a decade, or two ago were working for a pittance. Are these men grateful for the blessings which have come to them? Have they a memory of their own struggles? Experience has taught us that some of these men do not understand the first rudimentary lessons of business ethics, that they are absolutely without principle; and that it would be an insult to the animal kingdom to make a comparison.

* * * *

THIS criticism appears scathing, but after seventeen years of contacts in this Industry, in all its branches, there is nothing which your editor desires to retract.

It may be that the present civilization is responsible, that the modern business tactics in Trade and Commerce are similar to the business policies operative in Motion Pictures, but if a "Booby Prize" were in order; and a survey made of various Industries, in respect to their development, and operation, the Motion Picture Industry would get the "Booby Prize."

Power in the hands of gentlemen, is a dangerous weapon. Power in the hands of uneducated, and unprincipled individuals, is not only a menace, within our Industry, but an object of public danger, which should be under Government control.

(Continued on Page 11)

Mary Pickford told Federal Trade Commission Zukor offered her \$250,000 to quit Pictures.

Prosecution Despite Contrary Reports To Follow the Combine Findings

THERE are a few clauses in the Combines Investigation Act, which may be of interest to our readers, for instance, clause No. 19 states, "No person shall in any manner impede or prevent or attempt to impede or prevent any investigation, examination, or inquiry under this act".

We particularly bring this clause to the attention of the "fixers", who expended so much effort, and promised so much that the U.S. Trade papers many times were inspired to report that the Investigation was a "wash-out", etc., etc. We even heard rumours that "everything had been fixed" so that there would be no investigation.

NOW we are being informed that the provinces will not prosecute, especially Ontario, which is the stamping-ground, it is alleged of the "fixers." One paper reports "Canada won't bury case, but act, is new slant". The first slant was that, we quote from this paper, "reports current for weeks prior to the release of the findings that they would be pigeon-holed are fading."

The Act states, in clause 31—"Whenever in the opinion of the Minister an offence has been committed against any of the provisions of this Act, the Minister may remit to the attorney general of any province within which such alleged offence shall have been committed, for such action as such attorney general may be pleased to institute because of the conditions appearing".

If WITHIN three months after remission aforesaid, or within such shorter period as the Governor in Council shall decide, no such action shall have been taken by or at the instance of the attorney general of the province as to the Governor in Council the case may on the relation of any person who is resident in Canada and of the full age of twenty-one years permit an information to be laid against such person or persons as in the opinion of the Solicitor General shall have been guilty of an offence against any of the provisions of this act".

One of the most colorful of the rumours in circulation, prior to the publication of the Report, was one to the effect that it was found that the Commissioner's Report was too severe; and that he was called to Ottawa to omit certain sections.

The Commissioner states in The Report, in a communication addressed to F. A. McGregor, Esq., Registrar, Combines Investigation Act, Department of Labour, Ottawa, the following: "Sir,—Following the transmission of my Interim Report in this matter, a request was made by counsel for Famous Players Canadian Corporation, Limited, that he be given an opportunity to make further representations on behalf of that Corporation. This opportunity has been given, and I now report that in my opinion there is no occasion to make any alterations in the Interim Report as filed by you on April 30th. I would therefore ask you to consider that report as my final report herein. Yours faithfully, signed Peter White, Commissioner".

UNDER a heading, "Companies Cited for Investigation", we find "Famous Players Canadian Corporation, Limited, and a summary covering the incorporation of the company together with a division of its shares. It states that the company was incorporated by letters patent issued under the Dominion Companies Act. and dated Jan. 23, 1920.

Apropos of the incorporation, there is a clause in the Combines Act which reads, (30) under the heading of Remedies. "If the owner or holder of any patent issued

under the Patent Act has made use of the exclusive rights and privileges which as such owner or holder he controls, so as (a) unduly to limit the facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any article which may be a subject of trade or commerce; or

(b) to restrain or injure trade or commerce in relation to any article; or

(c) unduly to prevent, limit, or lessen the manufacture or production of any article; or

(d) unreasonably to enhance the price of any article; or

(e) unduly to prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation, storage or supply of any article; SUCH PATENT SHALL BE LIABLE TO BE REVOKED.

"If the Minister reports that a patent has been so made use of, the Minister of Justice may exhibit an information in the Exchequer Court of Canada praying for a judgment revoking the patent; and the court shall thereupon have jurisdiction to hear and decide the matter and to give judgment revoking the patent, or otherwise, as the evidence before the court may decide".

THE COMMISSIONER found that Famous Players Canadian Corporation, Limited, practiced a "protection" policy covering a "clearance period far beyond what could possibly be justified if it were for the purpose of protecting the business of these first run theatres and not for the purpose of INJURING INDEPENDENT EXHIBITORS".

The Commissioner found evidence of Combine by the "booking arrangements" through which the "purchasing power of Famous Players has attained such magnitude that real competition on the part of the independent exhibitor, in dealings with the distributors, is practically impossible".

The "Pooling agreements" the Commissioner also reports "has the effect of further increasing the purchasing power and of lessening competition, as mentioned in the preceding paragraph".

"Operating agreements" by which the Commissioner states competition is lessened.

"By the acquisition by Famous Players, their subsidiaries and affiliations, of many theatres, by threats of building, withholding product, the actual withholding of such supply, by the improper use of buying power and paramount position in the moving picture business in Canada, looking to the concentration of moving picture theatres, particularly in the larger cities and towns and in the strategic positions therein, in the hands of Famous Players, their subsidiaries and affiliations, and to the lessening of competition in the operation of such theatres."

THE REPORT cites herein the very clauses in the Combines Investigation Act, which cover the causes through which the Charter or Letters Patent may be revoked.

The Report claims that in all these "activities the distributors herein named as parties to the combine, participated, by various agreements and arrangements with Famous Players, their subsidiaries and affiliations, to withhold pictures from the independents for an unreasonable length of time, either at the specific request of Famous Players or their subsidiaries or affiliations, or through

"The major problem in any industry is the relation between seller and buyer. This must be equitable, just and conducive to stability and mutual confidence."—Mr. Will Hays.

Four Provinces Already State They Will Take Action

the granting of unreasonable clearance periods under the guise of protection".

We will leave the further findings for another issue of The Digest and revert to the supplementary letters patent (exhibit 2) issued March 30th, 1928, confirming two by-laws passed on March 29th, 1928, decreasing the capital stock of Famous Players Canadian Corporation, limited, from \$15,000,000 to \$12,700,900 by the cancellation of 22,991 unissued first preference shares; changing the common shares to shares without par value and increasing the number of common no par shares to 600,000. The preference shares have been redeemed.

THE REPORT states, "The authorized capital now consists of 600,000 no par common shares, and of these there had been issued, as of August 30th, 1930, 378,660 shares. Of these issued shares, approximately 189,300 are held by the Montreal Trust Company under a pooling agreement dated March 7th, 1929 (Exhibit 115). Of these Paramount Famous Lasky Corporation, the predecessor of Paramount-Publix, contributed 165,375 shares and N. L. Nathanson 24,000".

"Voting trust certificates or certificates of beneficial ownership were issued in respect to these pooled shares and sold to the public by Royal Securities Corporation, Limited. These were rather widely held. Subsequently in April, 1930, an offer, (see exhibit 300) was made by Paramount-Publix Corporation to exchange four shares of Paramount-Publix for five shares of Famous Players. A large number of shareholders and of holders of the voting trust certificates accepted this offer, so that as of August 30, 1930, Paramount-Publix were the holders of 355,131 shares, or 93.786 per cent of the total issued shares".

THE DIGEST sees no mention in The Report of the formation of the Protective Association of Minority shareholders, nor do we find any reference to Exhibit 300 as compared with present conditions, involving the decrease in the promised increased dividend and the depreciation of the stock, together with its increased liabilities, owing to the financial obligations of the Paramount-Publix company and its evident economic difficulties, necessitating a general reorganization with decreases in salaries and staffs, covering all departments.

The Report mentions the trusteeship with its three trustees and in connection with the pooling of the shares states, "The ostensible object of the pooling of the shares was to give the public the impression that Famous Players was a Canadian controlled company inasmuch as two of the Voting Trustees were Canadians and the pool had share control of the company. See exhibit 323, a circular issued by Greenshields & Co., which states, 'Control of the Company is being assured to Canada through the purchase of common stock previously held by American interests. For the purpose of retaining this control and providing continuity of the present successful management, voting control has been placed for a period of ten years in the hands of the trustees under a deposit agreement in favour of the Montreal Trust Company.'"

COMMISSIONER WHITE reports, "This circular was issued to the public as an inducement to buy shares which had been purchased from Paramount Famous Lasky Corporation by Royal Securities Corporation, Limited, and which were pooled. The purchasers were to receive Voting Trust Certificates, the definitive Cer-

tificates being held by the Trust Company. (See also evidence of I. W. Killam, pp. 6859-6860)."

Your editor was present when Mr. I. W. Killam gave his evidence, back turned to your editor, who asked this Gentleman of the Press, so busy preaching platitudes of Canadian conduct, that he forgets to practice a few himself, some pertinent questions concerning the Voting Trust Agreement. Mr. Killam stated that the Voting Trust Agreement was **FORMED TO PROTECT THE ZUKOR FRANCHISE**. Either the prospectus is a document of false pretences and was designed to defraud the public, through the sale of Voting Trust Certificates, to benefit one of the trustees, Mr. Adolph Zukor; or Mr. Killam committed perjury in giving his evidence before the commissioner. It is for the district attorney to determine; and in view of the fact, that we have had brokers committed for trial and sentenced to prison terms, in addition to the payment of large fines, for acts which were alleged to be for the purpose of conspiring to defraud the public, why should the shareholders of Famous Players Canadian, also the public, be thus victimized, while those who "juggled" their investments be permitted to keep on "juggling"?

THE COMMISSIONER states, "The real object of the voting trust was to protect Mr. Zukor and his company in respect to a franchise agreement which gave Famous Players an option in the Canadian market on all pictures produced by the United States company (See Mr. Killam's evidence, pp. 6861 and 6884-6887)."

The Commissioner does not specify the nature of the protection desired by Mr. Zukor, but it may be that Mr. Zukor was protecting his product against the possible sale of Famous Players to other interests. Having some knowledge of how "They buy them to bury them", and how much cheaper it is at times to pay for product and not play it, than leave it for your competitors, Mr. Zukor in the sale of his shares, no record of his interest in the sale is in The Report, nor any evidence of the amount received by Mr. Zukor for his shares, took the precaution to make the Trust Agreement period cover ten years, just the time required for the expiration of the Franchise for his product.

IT IS ALSO likely that Mr. Zukor was intent on protecting his product when he conspired with Mr. Killam and other directors to block the British Gaumont deal, under the pretence that a sale to American Interests would not be in accordance with the Trust Agreement etc.

But of what concern was such protection of Mr. Zukor's product to the shareholders of Famous Players; and why did not the directors act to protect the shareholders' interests and not Mr. Zukor's product?

These are questions, we as an investing public, and as a medium of public service and expression would like to inquire of the attorney-general and the Minister of Justice:

The Commissioner on page 223 of his Report refers to the minority shareholders and states, "if these dissatisfied shareholders have been wronged, it seems to me their proper course would be to seek a remedy in the courts against those who sold them the shares, and that no finding of mine, and no action that could be taken under the Combines Investigation Act, would advance their

(Continued on Page 10)

"Zukor Led Way For Mergers in The Film Trade" — evidence submitted at Federal Trade Commission Investigation of Paramount-Publix.

Commissioner White**Quotes Greenshields***(Continued from Page 9)*

interest; and so, other than a mere recital of the facts, I make no finding".

THE COMMISSIONER has stated that in the exchange of shares the matter was really the business of the shareholders and those who exchanged their shares, but since the Commissioner states that "these dissatisfied shareholders" are evidently dissatisfied, why is the exchange of shares simply an ordinary routine of such business transactions?

The Commissioner stresses that, "Control of the company is being assured to Canada, etc.", and although there is an "if" in his presentation which suggests that "these dissatisfied shareholders have been wronged", the courts are suggested as a medium of remedy.

YOUR EDITOR was in Court, present at the Public Hearings before the Commissioner when a discussion took place relative to the clause in the Greenshields & Co. circular; and Mr. Arthur Cohen stated that he did not believe that Greenshields & Co. had any instructions, to place that clause in their circular, from Famous Players, and that they possibly did it on their own initiative.

We also recall a letter sent out by Greenshields & Co., advising their clients not to accept the exchange of shares as offered by Paramount-Publix.

Considering the findings of the White Report, the many instances of Combine tactics found by the Commissioner, findings which correspond to the evidence submitted by witnesses before the U.S. Federal Trade Commission, respecting this same company, considering the tactics utilized to monopolize, is it not possible and probable that similar tactics were employed to coerce the shareholders into giving up their shares when Paramount-Publix made their offer?

SHOULD there not be an investigation of this company in respect to the Paramount-Publix Famous Players deal, an investigation of the present management of the company, to determine whether Paramount-Publix is exploiting Canadian shareholders for the benefit of Paramount-Publix, and its holdings outside of Canada, the distribution of Paramount product, at the sacrifice of Canadian shareholders.

What representation, or protection have the minority shareholders who refused to exchange their shares for Paramount-Publix? What protection has the Canadian Public from the foreign control of her Screen, by a company which has been found guilty of practices against the interest and to the detriment of the Canadian Public?

After reading Commissioner White's findings can we trust the young generation of Canada to receive any benefits from what Paramount Publix will select for their entertainment? Is this the manner of a company to be pointed out as the dominant motion picture company of Canada?

Wherein lies the service, or the virtue of a company which has utilized such unethical, and unfair methods to eliminate Canadians from the honest pursuit of their enterprise. Which has, according to the evidence, conspired to injure the distribution of British pictures; and to so control and dominate the Moving Picture Industry of Canada, that the Commissioner has found the Cooper organization with its membership of Producer-Distributors and Famous-Players theatre managers as operating as a Combine and against the Public Interest.

ON PAGE 229 The Commissioner states, "Mr. Starr in his argument adopted the arguments of the other counsel insofar as they related to his client, and pointed

out various acts of the Cooper Organization which were, according to his contention, beneficial to the exhibitors or to the industry as a whole.

"As I have already dealt with this subject, there is no need of repeating my findings here, other than to say that any benefit to exhibitors has been incidental to the main and primary purpose of the Cooper Organization, which has been to advance the interests of the New York Producers and their Canadian subsidiaries. For example Colonel Cooper's success in having amusement taxes and censor fees lowered might have the effect, as he admits, of enabling the exhibitors to pay more money for pictures".

THE COMMISSIONER closes his Report by stating, "This is an interim report as called for and required by the Minister under section 27 of the Combines Investigation Act. There are many lines of inquiry and many companies left to be investigated. I am satisfied that the investigation of these would not only emphasize, but add to, and considerably widen the findings which I have made, and might possibly involve other persons. I trust, however, that such findings as I have made will answer all present purposes.

"It ought to be mentioned that, under its present management, Famous Players does not appear to me to be conducted with quite the ruthless disregard of the rights of others, and of the public interest, as was formerly the case, though the present manager is, however, still under the direction of the United States interests who control the company."

WE MIGHT mention in connection with this statement that ever since the resignation of Mr. N. L. Nathanson as managing director of Famous Players Canadian Corp., Limited, Sept. of 1929 and the formation of the Protective Association of Minority Shareholders, Paramount-Publix has been occupied in assuming control of the Canadian company; and the Canadian company has been the target of so much adverse Public Opinion that it had to "cease and desist" as much as possible from creating any further antagonism. When the Paramount-Publix deal was proposed, it was again the object of Public attack; and later when the Government Investigation was anticipated, in July of 1930; and the Investigation put into operation in Sept. 1930, it is obvious that Paramount-Publix had to make an effort to behave itself, lest exhibitors and distributors find this an opportune time to give evidence against their practices and to unite with the government for release from a Monopolistic thralldom.

IT MIGHT also be pointed out to the Commissioner that some animals only "kill" when they are hungry. Since Paramount-Publix has the control of all the revenue which comes into the box offices of the dominant theatre chain in Canada; and can play its own product when and where it pleases; since all Film Interests releasing in Canada are subservient to its dictation; and the new officers and directors are anxious to put on a "good front" in order to live down the bad impression which has been created, it would not be surprising to find that Paramount-Publix may have taken a "rest period" from its bull-doing of the Independents.

But if the Commissioner had travelled to Montreal and several other cities, into some towns in Canada, the Commissioner would have found therein sufficient evidence to convince him that a Combine is like a skunk, they both "smell to heaven", you cannot reform them for it is in the very nature of the beast to be offensive.

Beware of Independents Who May Line You Up Like Katz Lined Up Independents of Illinois for Zukor Control!

The New Film on Broadway

By Betty Ross

"SWEEPSTAKES," an adaptation of a story by Lew Lipton; directed by Al Rogell; an RKO Pathe production.

In a light summery horse racing film that is good entertainment for this hot weather. James Gleason once again scores a success with his inimitable characterization. The story is about a horse race that has for the winner money and a girl. Babe Ellis is the girl and James Gleason is the horse trainer whose friendship to Bud Doyle enables the latter to outwit the villain.

Doyle is suspended from racing when he loses on Rose Dawn. Doyle's favorite horse Six Shooter wins the big race when Doyle who was mounted on Rose Dawn whooped Six Shooter to victory with a familiar yell.

He goes from one place to another, riding in small races, until they discover who he is, but his time comes when Sleepy Jones and several others buy Six Shooter and Doyle is prevailed upon to ride the horse once again. As one may gather, no matter what has happened in the year or so in Six Shooter, he has not forgotten Doyle or his "Whoop-te-do."

Eddie Quillan and Marion Nixon do commendable work in their roles.

* * * *

"THE PRODIGAL," a screen drama directed by Harry Pollard and presented by Metro-Goldwyn.

Lawrence Tibbet who has gained so much fame for himself and the pictures in which he has acted, is now singing into the hearts of Broadwayites songs from the screen drama "The Prodigal." In this picture he is seen as a picturesque vagabond who has left his southern home and has become a hobo. Upon a visit to the family homestead one day he discovers that his disagreeable brother has married the blond Miss Ralston, and also that she is not faring very well in her position. So Tibbet steps in and after many doings succeeds in making her a happy woman again. Mr. Tibbet's rendition of "Without a Song" is very beautiful and effective.

Roland Young and Cliff Edwards do fine acting in their roles as Tibbet's hobo pals. We recommend this film very highly.

* * * *

"ROAD MINDED," based on a story by Harry Ruby and Bert Kalmer, directed by Marvin LeRoy; a First National Picture.

This is a gay summery comedy featuring Joe Brown whose antics arouse much merriment from the audience. In a series of misunderstandings with letters and exposures and embarrassing circumstances. Joe Brown's comedy is given free reign.

The story is about a gay young man and the even gayer young lady who wants to marry him. His father decides to send him away, putting him in the care of his cousin—in this case, Mr. Brown. The trip West is made in a baby car, and there are adventures of one kind or another on the way. Then love, and further complications, set in (as they will in California) but strained circumstances ultimately iron out themselves. Life goes on again.

As the cousin, Mr. Brown plays in his usual boisterous fashion. William Collier, Jr., gives a good performance in the role of the gay young man. Ona Munson and Majorie White give able support.

"With the motion picture we are selling America itself. We are building buying habits through the Motion Picture."—Mr. Will Hays.

"THE VIKING," produced by the late Varick Frissell, prefaced by a screen talk by Sir Wilfred Grenfell; with Louise Huntington, Captain Bob Bartlett, Arthur Vinton and Charles Starrett.

In a stirring realistic picture of a seal hunt in the ice field off Labrador spectacular scenes and adventures of the men are so constructed as to make a remarkable movie. At the same time the thrilling scenes of icebergs and the picturesque frozen masses are so graphically portrayed as to enthuse the most blasé movie audience.

The name Viking is taken from the old sealing ship that was recently lost off Newfoundland. Varick Frissell who produced this picture was among those who lost themselves in this catastrophe.

The story is about Luke, one of the seal hunters who loves a girl Mary. Jed also loves Mary and tries to get Luke out of the picture.

During the hunt there is a violent storm and while fighting their way against the howling blizzard Jed and Luke are left behind. Jed, when calm reigns again, shoots at Luke, but as he has lost his glasses and his eyesight is dimmed, he misses. He afterward discovers that Luke is alive, and the two trudge on and through some miracle manage to get back to civilization.

Louise Huntington portrays Mary Joe. Charles Starrett does well as Luke. Arthur Vinton is capable as Jed.

Observations

(Continued from Page 7)

If this Industry must be a monopoly in order to operate, then let it be a Government Monopoly. Your editor is for the freedom of the Screen, freedom, but not license; and if those who are in control of it, cannot market equitably its wealth-producing and entertainment potentialities, then it is time that some National Power, more fitted for such operation controlled the Industry for the benefit of the nation, and the people.

* * * *

THE Famous-Players-Paramount-Publix, its subsidiaries and other Film Interests have been judged to be a Combine, in Canada. The Federal Commission of the U.S. found similar conditions in its country as those prevalent here. Does the Motion Picture Industry believe that it can forever evade penalties, discovery, that it can forever keep "putting plasters upon its wounds", to cover up the "sore spots of its iniquities", making no attempt to clean-up its business system?

The Digest advised the U.S. industry what would happen in Canada, when the Government became interested. The Digest GOES ON RECORD NOW OF ADVISING THE MONOPOLISTIC INTERESTS THAT IF THEY DO NOT MAKE AN HONEST EFFORT TO CHANGE CONDITIONS, THE CONTROL OF THE INDUSTRY OF MOTION PICTURES WILL BE VESTED IN THE GOVERNMENT, AND IN ALL GOVERNMENTS WHERE THERE IS THE SCREEN!"

It is understood that plans are being made by the St. Lawrence Moving Picture Corporation, to erect a studio at Ironside, Que., which will be called Hollywood-in-Quebec. Pierre Desrosiers, well-known French-Canadian comedian, vice-president of the company, stated that the studio would be built on very modest plans, where Talkies will be made in French and English.



Show Business



(Special to The Digest from Winnipeg.)

THE exhibitors of motion pictures in Winnipeg are silent, with few exceptions, regarding the Peter White commission report, which stated there is a combine in the trade and among exhibitors to the detriment of the public.

Winnipeg has always had a very strong independent class of exhibitors in the motion picture field, but they have had to pay very heavily, one of them stated, when they obtained pictures away from the Famous Players Corporation; and even then the Famous Players had the refusal of these pictures before the independents had a chance at them.

Trips have been made to New York by independent exhibitors in past years to see if they could not get some kind of a square deal, one former large exhibitor stated, but only temporary success was secured.

Among the independents may be noted A. R. McNichol, owner of three large theatres in Winnipeg, all suitable for "first run", but who leased the chain a few years ago to the Universal Film Corporation, and has not been active since then in the theatre business; Helmer Jernberg, owner of the Province theatre, a first run house, mostly of the "thriller" type; Henry A. Morton, a pioneer exhibitor, who sold out his chain, the Gaiety, the Crescent and the Wonderland, two years ago to Famous Players, and has since then leased the Garrick, and also controls the Beacon, on Main St.; and the Rialto theatre on Portage avenue; A. Miles, owner of the Palace, Selkirk avenue; the Roxy, on Henderson highway, and who is building a new \$150,000 theatre on Academy road, his company being known as the Allied Amusements; owning also the Rose on Sargent avenue, and the Plaza on Marion street, St. Boniface; and Samuel Weiner, owner of the Regent and Colonial, Main street. There are a number of exhibitors who own single independent theatres in the city, and the Winnipeg Screen Association is one of the strongest organizations of its kind in Canada.

There are 33 motion pictures theatres in Winnipeg and adjoining suburbs, but none of the suburban, or what is known as "neighborhood" theatres, is controlled by the Famous Players Canadian Corporation, except the Crescent on Corydon avenue; the Osborne theatre on Osborne street; the Tivoli on Maryland, and the Wonderland on Sargent avenue. The Osborne and the Tivoli were required from Raymond Kershaw three years ago, and Mr. Kershaw was given the appointment of supervisor of all the corporation's theatres outside of the centre of Winnipeg.

The Famous Players control the Metropolitan, where their big pictures are shown, and with R.K.O., of New York, they have a joint interest in the Capital and the RKO, Winnipeg. This makes eight theatres which the Famous Players Canadian Corporation control in Winnipeg. The Metropolitan theatre has the choice of all pictures offered on the market with the exception of the Universal Film Corporation's products, which have first runs at the Lyceum; and the United Artists' product, which has first run at the Garrick, controlled by H. A. Morton, owner of Garrick Theatres, Ltd.

Mr. Morton bought the entire product of United Art-

ists for the year in order that he might have the first showings of the Charlie Chaplin, the Mary Pickford, the Douglas Fairbanks, Gloria Swanson and Norma Talmadge pictures in this city.

Henry A. Morton, president of Garrick Theatres, Ltd., said after he had read Commissioner White's report and his findings: "The investigation has resulted in just what I expected. I wonder what the Manitoba Government will do now? We independent moving picture exhibitors have been paying 'through the nose' for our pictures, and I am glad that the true state of affairs has at last been disclosed to the public."

George Law, general manager of the Universal Film Corporation's three theatres in Winnipeg, said that he did not think the report would have any drastic effect on the business he manages. They were not concerned in the investigation, as the probe was into the Famous Players. The commission did not visit Winnipeg, and the investigation was confined to the theatres and the film exchanges controlled by the Famous Players, and it was no business of his to comment on the findings, Mr. Law said.

The event of the week to Winnipeg theatre patrons was the publication of this combine's investigation commission report, which found the Famous Players, Paramount and other distributors of motion pictures constituted a combine within the meaning of the statute. That is, these distributors, by reason of their combine, work an injury to the public interest.

Those who like their talkies and wonder why the independent theatres show poor class pictures, and are a long way behind the big theatres on the showing of first class films, found the report interesting reading. Apparently the business of running an independent theatre such as the little community theatres in the outlying sections of the larger cities, is very difficult. The large theatre owners, like Famous Players, are able to dictate terms to the film distributors and to compel conditions which are very onerous to the little fellows. And if a little theatre should build up a profitable business, the usual practice is, apparently, for the big owners to compel a partnership. If the little theatre does not come to terms, a competing theatre is built alongside of it, and so on.

All the inside curves of the talkie business are exposed in the report of the commission. In such cases it is customary for provincial governments to launch prosecutions against the combine with the object of breaking it up.

With the announcement of Hon. J. A. Merkley, minister of railways, labor and industries in Saskatchewan, that he was in favor of the principle, introduction of a quota system by which all theatres in the province will have to show a certain percentage of British moving picture films looms as a possibility.

As to any action that might be taken by the Saskatchewan government, Mr. Merkley said it would be a matter for the attorney-general's department. In view of the fact that Hon. M. A. MacPherson, attorney-general, is at present in England, no definite information could be obtained as to any possible action in this regard.

"U. S. Federal Commission Found Zukor Dropping of Theatres Only False Gesture."—
James Robbins of The New York World.

Toronto Theatres

LOEW'S—Manager Jules Bernstein—Second successful week for Metro-Goldwyn-Mayer's film "A Free Soul" with Norma Shearer, Lionel Barrymore and Clark Gable. Adapted from the story by Adela Rogers St. John, and directed by Clarence Brown.

UPTOWN—Manager Tom Daley—"Drums of Jeopardy," a Tiffany production with Warner Oland, June Collyer and Lloyd Hughes. A rather weird mystery film closely resembling "Dr. Fu Manchu." The story opens in Russia before the Russian Revolution and finally winds up in America several years later. Warner Oland is very successful in his characterization of the father who is avenging the death of his daughter. Directed by George B. Seitz.

IMPERIAL—Manager H. V. Knevels—Richard Dix and Jackie Cooper with Marion Shilling in "Young Donovan's Kid." Jim Donovan, Richard Dix, is a gangster leader who adopts Midge, Jackie Cooper, after Midge's father has died. Through the love of Midge and Kitty, Marion Shilling, Jim leaves his former associates and tries to reform. He is successful in escaping from the police who are trying to frame him for a hold-up which he did not commit. Jim proves his innocence conclusively when he recovers the stolen money, by a ruse, and returns it. From the minute the dirty face of the new juvenile star, Jackie Cooper, is shown, he is the centre of attraction, even throwing Dix' clever performance into the shadow. It is a Radio picture, adapted from the story "Big Brother" by Rex Beach, and it is directed by Fred Niblo.

TIVOLI—Manager Jimmy Lynch—A Warner Brothers production "Svengali" starring John Barrymore with Marian Marsh, and a supporting cast of Carmel Myers, Yola D'Avril, and Lumsden Hare. Svengali, played by John Barrymore, is a hypnotist who has Marion Marsh in his power. His powers of hypnotism are so great that while she is in a hypnotic trance he makes her believe that she is a wonderful singer. They travel through Europe on a concert tour and Marian is a great

success; however this does not last long, as owing to his heart trouble, Svengali is forced to cancel many of Marian's engagements. This causes the downfall of Marian's reputation, and she is no longer in demand. They go to Egypt where she accepts a position in a wine house. The first evening of her appearance her old sweetheart is present; and Svengali knowing that his end is near, tells him that after that night he would go out of Marian's life forever. During the performance Svengali dies and Marian no longer able to sing, faints and is carried away by her former fiance.

SHEA'S—Manager Jerry Shea—"Six Cylinder Love," a Fox production directed by Thornton Freeland; featuring Sidney Fox, Spencer Tracy and Edward Everett Horton, with a supporting cast of William Collier, Sr., Lorin Raker, Una Merkel and El Brendel. Most of the laughs are supplied by Lorin Raker and Sidney Fox with their baby talk, and newlywed airs. El Brendel has a very small part as the Swede janitor, but adds his little bit to the comedy of the film.

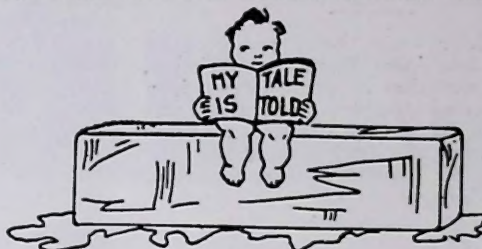
Ray Presents

(Continued from Page 6)

with the trekking of gold recently from Canada, to the Great White Way, reminds us of King David's statement, "All men are liars".

Mr. Arthur Cohen stated, "I do not think the Commissioner grasped the intricacies of our business in the way people brought up in it do".

"Especially in the way of the protection needed is this so, it seems to me. I'd like to know what the Commissioner would substitute in its place. He hasn't given any idea". To which we add that the Commissioner's Report is the best Film Idea ever handed the Film Industry.



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Round About the Studios

Charles ("Chic") Sale has one of the principal roles in "The Star Witness," now in production at the Warner Bros. West Coast Studios, in which he shares honors with Walter Huston, Frances Starr, Sally Blane, Grant Mitchell, Edward J. Nugent and others.

Accompanied by Tommy Boy, his principal equine actor, Ernest Torrence and other players, Director Charles Brabin is now on location in Lexington, Kentucky, where he will film scenes of "Horseflesh."

With the shooting of the last sequence of Ronald Colman's next picture, "The Unholy Garden", at the Samuel Goldwyn studios yesterday, the Charles MacArthur-Ben Hecht adventure melodrama was officially declared completed.

Mae Madison, a newcomer to the screen, is not only playing in the cast supporting Douglas Fairbanks, Jr., in "Chances," but she will be seen shortly in a more important role in a Warner production, "Bought!" This picture will feature Constance Bennett, Ben Lyon and Richard Bennett, celebrated stage star and father of Constance. Miss Madison is a student in the training school recently established at the First National studios in Hollywood. Ivan Simpson, veteran British actor and long a member of George Arliss's company, presides over the school as director. She is considered to be one of the most promising of Mr. Simpson's pupils.

"Bill and Coo" now being produced by British International Pictures at Elstree, under the direction of John Orton, is a whimsical comedy with a musical accompaniment of back-stage life, and a dream cottage forms the back-ground for the adventures of Bendo, a trapeze artist, played by Merson.

Robert F. Hill, one of Hollywood's pioneer picture makers, will direct Tom Keene in the first of six western features to be made and released by RKO Pathe on its current program, it is announced by Charles R. Rogers, vice-president in charge of the company's production. Hill also wrote the original story for the vehicle and is now adapting it in screen play form.

Halliwell Hobbes, distinguished British actor, and native of Stratford-on-Avon, birthplace of William Shakespeare, is the latest well-known Thespian to be signed for "The Lullaby," the initial talking picture venture of Helen Hayes at the Metro-Goldwyn-Mayer studios.

Lester Matthews, the young actor whom British International Pictures regard as one of the film discoveries of the year, has been added to the cast of "Carmen," and will play an important part as Zuniga, a Spanish Officer.

Helen Hayes is widely known in theatricals as the "Barrie girl," because of her great success as the heroine of such Sir James Barrie plays as "What Every Woman Knows," and "Dear Brutus." Miss Hayes is now completing "The Lullaby" as her first talking picture for Metro-Goldwyn-Mayer.



Pretty little Shirley Jean Rickert, to be seen in Hal Roach "Our Gang" comedies.

The role George Arliss will play in "A Successful Calamity," which he has selected as his next starring vehicle for Warner Bros., will be his third successive American characterization on the talking screen. His first was James Alden in "The Millionaire," the second is the title role in "Alexander Hamilton," soon to be released; and the leading role in "A Successful Calamity" will give him an opportunity for another striking cisatlantic portrayal. Clare Kummer's play was first produced at the Booth Theatre in February 1927 with William Gillette in the part of Henry Wilton—the part that Mr. Arliss will play on the screen. According to present plans Mr. Arliss will be in the States again by the first of November, and "A Successful Calamity" will go into production shortly thereafter at the Warner Bros. West Coast studios.

RKO Pathe has completed Helen Twelvetees' second picture of the four she is scheduled to make in the 1931-32 Personality Group. Jack Lait provided the original story, temporarily titled "The Mad Marriage," for Miss Twelvetees and Thomas Buckingham and Tay Garnett did the adaptation. Garnett also directed.

Lois Wilson has been borrowed from Universal by Howard Hughes to portray a featured role in "The Age for Love," in which Billie Dove will make her first appearance for United Artists. Mary Duncan also has been signed, the young woman having been reached in Paris by cable.



Constance Bennett, R.K.O.-Pathe star, who appears in "Born to Love."

Rowland V. Lee and Edward Sedgwick, outstanding directors, have been signed by Columbia Pictures to megaphone two of the company's pretentious productions.

Lee will direct "Guilty Generation," one of the new season's offerings, based on the stage success by Jo Milward and J. Kirby Hawkes, while Sedgwick will bring to the screen the as yet untitled Holt-Graves vehicle which completes the company's 1930-1931 program.

One-Eyed Connelly, the notorious gate-crasher, wears a tuxedo for the first time in a motion picture in "Sweepstakes," an RKO Pathe picture starring Eddie Quillan. Connelly worked in the picture during its entire production and crashed the gates at both the Agua Caliente race track and the Tanforan course when Director Albert Rogell filmed scenes at these locations.

Constance Bennett portrays an artists' model in "The Common Law," her current starring picture for RKO Pathe. The Paris art colony is the background for most of the action.

With Zita Johann, star of "Tomorrow and Tomorrow," making her screen debut, David Wark Griffith will start production at the Audio Cinema Studio, the Bronx, upon "The Struggle," his next picture for United Artists release. The story is an original by John Emerson and Anita Loos.

Carl Laemmle, Jr., has been extremely fortunate in snapping up able directors. Yesterday he announced the acquisition of Roland Brown, whose "Quick Millions," is attracting wide attention, on a long-term Universal contract.

"Sundown Trail," an original story by Robert F. Hill, has been chosen as the vehicle for RKO Pathe's first western feature, Charles R. Rogers, vice-president in charge of the company's production, announces. Hill is doing the screen play and has been signed to direct, also.

Linda Watkins will play the role of the girl reporter in "Sob Sister," which will shortly be placed in production at the Fox Studios. James Dunn will be her leading man.

Although Universal was reasonably certain of its ground in announcing "Marriage Interlude," it was only recently that absolutely final arrangements were completed between the author and the company. This Luigi Pirandello play was produced in New York, London and Rome under the title "Come Prima Meglio de Prima," which literally translated is "As Before Better Than Before."

Elda Vokel, Rosalie Roy, Douglas Cosgrove and Donald Dillaway have been added to the cast of "She Wanted a Millionaire," which is ready to go into production under the direction of John Blystone. In the cast already chosen are Joan Bennett, Spencer Tracy, Una Merkel, James Kirkwood and Humphrey Bogart.

Marie Dressler's new starring vehicle, "Emma," and the adaptation of George White's stage hit, "Flying High," are due to get under way this week at the Metro-Goldwyn-Mayer studios.

"U. S. Cinema King's Grip On The World Harming England."— William Marstom Seabury.